

Contingency Plan for Special Quotations and Final Settlement Prices for Futures and Options Contracts

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Osaka Exchange, Inc.

Tokyo Commodity Exchange, Inc.

Japan Securities Clearing Corporation

This contingency plan clarifies the handling of special quotations (hereinafter referred to as "SQ") and final settlement prices for futures and options contracts in cases where auction trading on the market for the underlying asset is halted due to contingencies, etc. on the day (hereinafter referred to as "SQ day") when Osaka Exchange, Inc. (hereinafter referred to as "OSE") determines SQ and in cases where the prices published during the period subject to calculation of final settlement prices are not available as the bases for calculating final settlement prices.

I. Basic Policy

1. Index Futures and Options

Arbitrage transactions related to index futures and options play a considerable role in the liquidity of cash markets and index futures and options markets and act to improve the efficiency and stability of price formation. Adjustment of arbitrage positions on a large scale is conducted using the SQ that is calculated based on the opening price of the component stocks of the relevant underlying index. Given the role played by arbitrage transactions as described above and the scale of arbitrage transactions and related transactions, in order to ensure final settlement based on the SQ, which serves as the basis for such transactions, OSE shall postpone the SQ day, etc. due to contingencies, as specified in "II. Plan Details 1-6".

2. Interest Rate Futures

With regard to Interest Rate futures, the final settlement is 100 minus daily cumulative compounded Tokyo Over-Night Average rate (hereinafter "TONA") for the interest rate reference period. For such futures, in the case where the TONA is not published as of any banking business day in the interest rate reference period at the time of calculating the final settlement price, it is difficult to secure methods to surely obtain such price at a later date. As such, the final settlement price will be calculated by using the TONA of the immediately preceding bank business day as the TONA of the relevant bank business day in the event of any emergency situation, and the Final Settlement Day shall not be postponed.

3. Electricity Futures

Electricity futures, for which the underlying asset price for calculating final settlement prices are spot prices on Japan Electric Power Exchange (hereinafter "JEPX "), play the role of providing price hedges in relation to procurement and sale, etc. of electricity. In the case where spot transactions on the JEPX market are halted due to difficulty to continue market operations as a result of blackout, shutdown of JEPX's market operating system, or other events, the imbalance rate set based on Article 27, Paragraph 4 of the Regulations on Contractual Fee Calculation for Consignment Supply by General Electricity Transmission and Distribution Businesses (Ordinance of the Ministry of Economy, Trade and Industry No. 22 of 2016) shall be used as an alternative for the underlying asset price during the period of the halt for calculating the final settlement price. As such, the final settlement will be conducted as specified in "II. Plan Details 7" , and the day of determining the final settlement price (hereinafter referred to as "Final Settlement Day" for TOCOM listed products) shall not be postponed.

4. Platts Crude Oil Futures and LNG (Platts JKM) Futures

With regard to Platts Crude Oil futures and LNG (Platts JKM) futures, final settlement is conducted using the average of reported prices that are the basis of the calculation of each final settlement price, during the applicable period (for crude oil, each business day of the month before the month that contains the final settlement date; for LNG, each business day from the 16th of the month two months before the relevant contract month to the 15th of the month following that). For such futures contracts, in the case where said reported prices are not available at the time of calculating the final settlement price, it is difficult to secure methods to surely obtain such price at a later date. As such, final settlement of such futures contracts will be conducted by determining the final settlement price based on published information at the time of determining the final settlement price even in the event of any emergency situation, and the Final Settlement Day shall not be postponed.

II. Plan Details

Items	Measures	Notes
1. Index Futures and Options based on Domestic Stock Index		<ul style="list-style-type: none"> Excluding Dividend Index Futures Trading and index futures based on Nikkei 225 Total Return Index (hereinafter referred to as “Nikkei 225 Total Return Index Futures”).
(1) Criterion for Determining Postponement of SQ day	<ul style="list-style-type: none"> In cases of the following a. or b., the SQ day for index futures and options based on domestic stock index shall be postponed: <ol style="list-style-type: none"> Auction trading of any of component stocks of the underlying index is halted all day due to contingencies on the SQ day (limited to trading on the market designated for such stocks for calculation of the underlying index; hereinafter the same). Auction trading of such stocks is resumed on the same day after being halted due to contingencies and the SQ calculation cannot be completed by the specific time. However, this shall not apply to cases where there are no open positions for the expiring contract month, nor other cases where it is deemed that the postponement of the SQ day, etc. is not necessary in light of protecting investors and/or ensuring the fairness of trading. 	<ul style="list-style-type: none"> "Contingencies" mean cases when trading of issues comprising an underlying index is halted on any of the markets due to natural disasters, trading system failure, acts of war/terrorism, or other circumstances beyond the reasonable control of the markets. (hereinafter the same) Trading halts for the purpose of publicizing company information, etc. shall not be included. The specific time shall be 4pm. The postponement period of the SQ day shall be determined for every product based on the same underlying index.
(2) Postponement Period of SQ day	<ol style="list-style-type: none"> Case (1) a. above <ul style="list-style-type: none"> The SQ day for index futures and options shall be postponed to the day on which trading of all the component stocks of the underlying index is resumed after the initial SQ day (the original SQ day before postponement when the SQ day is postponed; hereinafter the same) Case (1) b. above 	<ul style="list-style-type: none"> The settlement price of the day prior to the initial SQ day shall be applied to expired contract months for index futures and options.

Items	Measures	Notes
(3) Final Settlement Price	<ul style="list-style-type: none">– The SQ day shall be postponed to the day following the initial SQ day (if it falls on a non-business day, it shall be moved down; hereinafter the same)• The calculated SQ on the postponed SQ day (the SQ day after postponement when the initial SQ day is postponed; hereinafter the same) for index futures and options shall be applied as the final settlement price. In this case, the price of each component stock of the underlying index for calculation of the SQ shall be determined as follows:	<ul style="list-style-type: none">• In the case where the postponed SQ day of a flexible contract month falls on the same day as SQ day (which is not postponed) of any contract months with the same underlying index, the SQ for such flexible contract month, regardless of the measures in the left, shall adopt the SQ for such contract month (which is not postponed) with the same underlying index calculated on the postponed SQ day.• In the case where the postponed SQ day of a regular contract month or a weekly contract month falls on the same day as SQ day (which is not postponed) of any flexible contract months with the same underlying index, the SQ for such flexible contract month(s) shall adopt the SQ for such regular contract month or weekly contract month calculated on the postponed SQ day according to the measures in the left.

Items	Measures	Notes
(4) Handling of the Exercise for Index Options	<p>a. When auction trading is conducted for underlying stocks on the initial SQ day The opening price on the initial SQ day. (In cases where there is no execution price on that day, it shall be the price as specified in the appendix.)</p> <p>b. When auction trading of underlying stocks is halted all day on the initial SQ day due to contingencies. The opening price on the day when trading is resumed. (In cases where there is no execution price on that day, it shall be the price as specified in the appendix.)</p> <ul style="list-style-type: none"> • The data used for the SQ calculation such as divisor, base market value, number of shares for the underlying index calculation, etc. shall be those of the initial SQ day. 	<ul style="list-style-type: none"> • Trading halts for the purpose of publicizing company information, etc. shall not be included.
	<ul style="list-style-type: none"> • The exercise day of index options shall be postponed when the SQ day is postponed. 	<ul style="list-style-type: none"> • In cases where the SQ day of index options is postponed, index options shall be exercised in accordance with automatic exercise procedures by the SQ calculated after the postponed SQ day. • "No exercise notice" shall be conducted through clearing system, as usual.
(5) First Trading Day of New Contract Month	<ul style="list-style-type: none"> • The new contract month of index futures and options shall be traded from their initial SQ day. 	

(Reference Translation)

Items	Measures	Notes
(6) Final Settlement Day	<ul style="list-style-type: none">In cases where the SQ day for any of the index futures and options is postponed, the final settlement day for index futures and options (including the index futures and options whose SQ day is not postponed) shall be the day following the day on which the SQs for all the index futures and options are calculated.	
2. Index Futures based on Foreign Stock Index (1) Criterion for Determining Postponement of SQ day	<ul style="list-style-type: none">The SQ day for index futures based on foreign stock indices shall be postponed, in cases where the SQ for index futures based on the same index and traded on the home market has not been determined.However, this shall not apply to cases where there are no open positions for the expiring contract month, nor other cases where it is deemed that the postponement of the SQ day, etc. is not necessary in light of protecting investors and/or ensuring the fairness of trading.	<ul style="list-style-type: none">Excluding index futures based on FTSE China 50 Index (hereinafter referred to as "FTSE China 50 Index Futures")"Index futures based on the same index and traded on the home market" means, for index futures based on Dow Jones Industrial Average (hereinafter referred to as "DJIA Futures"), DJIA Futures at the Board of Trade of the City of Chicago, Inc. whose contract month is same as that of DJIA Futures at OSE. In addition, for index futures based on TWSE Capitalization Weighted Stock Index (hereinafter referred to as "TAIEX Futures"), it refers to TAIEX Futures at the Taiwan Futures Exchange Corporation whose contract month is same as that of TAIEX Futures at OSE.

(Reference Translation)

Items	Measures	Notes
(2) Postponement Period of SQ day	<ul style="list-style-type: none"> The SQ day shall be postponed to the day following the day on which the SQ is determined for futures on the home market after the initial SQ day. 	<ul style="list-style-type: none"> The settlement price of the day prior to the SQ day shall be applied to expired contract months for index futures.
(3) Final Settlement Price	<ul style="list-style-type: none"> The final settlement price shall use the same SQ determined in the home market. 	
(4) First Trading Day of New Contract Month	<ul style="list-style-type: none"> The new contract month shall be traded from the initial SQ day. 	
(5) Final Settlement Day	<ul style="list-style-type: none"> The final settlement day shall be the day following the postponed SQ day. 	
3. FTSE China 50 Index Futures		
(1) Criterion for Determining Postponement of SQ day	<ul style="list-style-type: none"> In cases of the following a. or b., the SQ day for FTSE China 50 Index Futures shall be postponed: <ul style="list-style-type: none"> a. OSE has determined that securities trading on the markets operated by the Stock Exchange of Hong Kong Limited (hereinafter referred to as "SEHK") did not end as usual on the day when the last trading day ends, resulting from measures such as trading halt due to contingencies. b. The closing index value on the last trading day has not been calculated nor distributed (excluding case a). However, this shall not apply to cases where there are no open positions for the expiring contract month, nor other cases where it is deemed that the postponement of the SQ day, etc. is not necessary in light of protecting investors and/or ensuring the fairness of trading. 	

(Reference Translation)

Items	Measures	Notes
(2) Postponement Period of SQ day	(a) Case (1) a. above – The SQ day shall be postponed to the day following the day on which securities trading on the SEHK is initially conducted after the initial SQ day. (b) Case (1) b. above – The SQ day shall be postponed to the day following the day on which the closing index value on the last trading day is calculated and distributed.	<ul style="list-style-type: none"> The settlement price of the day prior to the SQ day shall be applied to expired contract months for index futures.
(3) Final Settlement Price	(a) Case (1) a. above – The closing index value of the day on which the securities trading is initially conducted on the SEHK after the initial SQ day. (b) Case (1) b. above – The closing index value on the last trading day	
(4) First Trading Day of New Contract Month	<ul style="list-style-type: none"> The new contract month shall be traded from the initial SQ day. 	
(5) Final Settlement Day	<ul style="list-style-type: none"> The final settlement day shall be the day following the postponed SQ day. 	
4. Nikkei 225 VI Futures		
(1) Criterion for Determining Postponement of SQ day	<ul style="list-style-type: none"> In cases where the Nikkei Stock Average Volatility Index (hereinafter, the “Nikkei 225 VI”) is not calculated, distributed or updated on the SQ day, and the defined period required for calculating SQ is not available or a similar situation arises, the SQ day for Nikkei 225 VI Futures (index futures based on the Nikkei 225 VI) shall be postponed. However, this shall not apply to cases where there are no open positions for the 	<ul style="list-style-type: none"> The defined period shall be 30 minutes. "A similar situation" could include a case where the number of Nikkei 225 VI values that are normally calculated during the defined period (120 values in 30 mins) is not available.

(Reference Translation)

Items	Measures	Notes
	expiring contract month, nor other cases where it is deemed that the postponement of the SQ day, etc. is not necessary in light of protecting investors and/or ensuring the fairness of trading.	
(2) Postponement Period of SQ day	<ul style="list-style-type: none"> The SQ day shall be postponed until the calculation of the Nikkei 225 VI is resumed and the defined period required for calculating SQ is available after the initial SQ day. 	<ul style="list-style-type: none"> The settlement price of the day prior to the SQ day shall be applied to expired contract months for index futures.
(3) Final Settlement Price	<ul style="list-style-type: none"> The final settlement price on the postponed SQ day shall be the SQ calculated using the same method as the initial SQ day. 	
(4) First Trading Day of New Contract Month	<ul style="list-style-type: none"> The new contract month shall be traded from the initial SQ day. 	
(5) Final Settlement Day	<ul style="list-style-type: none"> The final settlement day shall be the day following the day when SQ is determined. 	
5. Nikkei 225 Total Return Index Futures		
(1) Criterion for Determining Postponement of SQ day	<ul style="list-style-type: none"> In cases of the following a. or b., the SQ day for Nikkei 225 Total Return Index Futures shall be postponed: <ul style="list-style-type: none"> a. The auction trading on Tokyo Stock Exchange is halted due to contingencies on the last trading day and the closing index value on the day has not been calculated nor distributed. b. The closing index value on the last trading day has not been calculated nor 	

Items	Measures	Notes
	distributed at 3pm on the SQ day (excluding case a). <ul style="list-style-type: none"> However, this shall not apply to cases where there are no open positions for the expiring contract month, nor other cases where it is deemed that the postponement of the SQ day, etc. is not necessary in light of protecting investors and/or ensuring the fairness of trading. 	
(2) Postponement Period of SQ day	<p>(a) Case (1) a. above</p> <ul style="list-style-type: none"> The SQ day shall be postponed to the day following the day on which the auction trading is resumed and the closing index value is calculated and distributed. <p>(b) Case (1) b. above</p> <ul style="list-style-type: none"> The SQ day shall be postponed to the day following the day on which the closing index value on the last trading day is calculated and distributed. 	<ul style="list-style-type: none"> The settlement price of the day prior to the SQ day shall be applied to expired contract months for index futures.
(3) Final Settlement Price	<p>(a) Case (1) a. above</p> <ul style="list-style-type: none"> The closing index value of the day on which the auction trading is resumed, and the closing index value is calculated and distributed on and after the initial SQ day. <p>(b) Case (1) b. above</p> <ul style="list-style-type: none"> The closing index value on the last trading day 	<ul style="list-style-type: none"> In the case where the postponed SQ day of a contract month for Nikkei 225 Total Return Index Futures falls on the same day as SQ day (which is not postponed) of any contract months with the same underlying index, the SQ for such contract month, regardless of the measures in the left, shall adopt the SQ for such contract month (which is not postponed) with the same underlying index calculated on the postponed SQ day.

Items	Measures	Notes
(4) Final Settlement Day	<ul style="list-style-type: none"> The final settlement day shall be the day following the postponed SQ day. 	
6. CME Group Petroleum Index Futures		
(1) Criterion for Determining Postponement of SQ day	<ul style="list-style-type: none"> The SQ day for CME Group Petroleum Index Futures (index futures based on the CME Group Petroleum Index) shall be postponed, in cases where the closing index value on the day in the U.S. corresponding to the day last trading day ends has not been calculated and distributed. However, this shall not apply to cases where there are no open positions for the expiring contract month, nor other cases where it is deemed that the postponement of the SQ day, etc. is not necessary in light of protecting investors and/or ensuring the fairness of trading. 	
(2) Postponement Period of SQ day	<ul style="list-style-type: none"> The SQ day shall be postponed to the day following the day on which the closing index value on the day in the U.S. corresponding to the day the last trading day ends is calculated and distributed. 	<ul style="list-style-type: none"> The settlement price of the day prior to the SQ day shall be applied to expired contract months for index futures.
(3) Final Settlement Price	<ul style="list-style-type: none"> The final settlement price on the postponed SQ day shall be the closing index value on the day in the U.S. corresponding to the day the last trading day ends. 	
(4) First Trading Day of New Contract Month	<ul style="list-style-type: none"> The new contract month shall be traded from the initial SQ day. 	

(Reference Translation)

Items	Measures	Notes
(5) Final Settlement Day	<ul style="list-style-type: none">The final settlement day shall be the day following the postponed SQ day.	
7. Electricity Futures (base load, intraday load)		
(1) Handling of Final Settlement Day	<ul style="list-style-type: none">In the case where spot transactions for either the Tokyo and/or Kansai area on JEPX are halted due to difficulty to continue market operations as a result of blackout, shutdown of JEPX's market operating system, or other events, the final settlement price obtained based on 7. (2) shall be used, and the Final Settlement Day shall not be postponed.	<ul style="list-style-type: none">The Final Settlement Day shall also not be postponed for cash-settled futures transactions of TOCOM-listed commodity futures contracts.
(2) Final Settlement Price	<ul style="list-style-type: none">In the case where spot transactions for either the Tokyo and/or Kansai area on JEPX are halted due to the difficulty to continue market operations as a result of blackout, shutdown of JEPX's market operating system, or other events, the final settlement price for the current contract month shall be the amount rounded off to the nearest JPY0.01 calculated by dividing monthly total (weekly total for east area weekly baseload electricity, east area weekly peakload electricity, west area weekly baseload electricity, and west area weekly peakload electricity) by the number of prices:<ul style="list-style-type: none">(1) JEPX Reported Price for electricity for the period during which transactions were made in the JEPX spot market for Tokyo area or Kansai area.(2) In the case where spot transactions of either the Tokyo and/or Kansai area on JEPX are halted, the imbalance rate to be applied for the period of the aforementioned trading halt at JEPX.In the case where the imbalance rate published by JEPX to be applied for the period of the aforementioned trading halt at JEPX is not available in a timely	

(Reference Translation)

Items	Measures	Notes
	manner on the Final Settlement Day, the amount calculated from the average price on JEPX during the week immediately prior to the period of the trading halt period shall be used as an alternative, and should this alternative price prove to be different from the final settlement price calculated using the imbalance rate at a later date, the difference in amounts shall be cash-settled afterward.	

III. Notification to Clearing Participants

In cases where the SQ day is postponed, JSCC will announce the relevant product and its handling to clearing participants in advance.

(Reference Translation)

Procedures for Determining Price of Each Component Stock of Domestic Stock Index for SQ Calculation in cases SQ Day is postponed

The price of each component stock of domestic stock index used for SQ calculation in cases the SQ day is postponed shall be determined as follows:

1. Component stock traded on the Market on the original SQ day	
(1) when there is a traded price on the Market on the original SQ day	Opening price on the Market on the original SQ day
(2) when there is no traded price on the Market on the original SQ day	
a. when there is a final special quote on the Market on the original SQ day	Such final special quote
b. when there is no final special quote on the Market on the SQ day	
(a) when there is a traded price (including a special quote, etc.) after the most recent ex-rights day	Most recent traded price (including a special quote, etc.) on the Market
(b) when there is no traded price (including a special quote, etc.) after the most recent ex-rights day	Price determined on a case-by-case basis (in principle, a theoretical price of ex-rights)
2. Component stock of which trading on the Market is halted all day on the original SQ day due to contingencies	
(1) when there is a traded price on the Market on the day when trading is resumed ("Trade Resumption Day") after the original SQ day	Opening price on the Market on the Trade Resumption Day
(2) when there is no traded price on the Market on the Trade Resumption Day	
a. when there is a final special quote price on the Market on the Trade Resumption Day	Such final special quote
b. when there is no final special quote price on the Market on the Trade Resumption Day	
(a) when there is a traded price (including a special quote, etc.) after the most recent ex-rights day	Most recent traded price (including a special quote, etc.) on the Market on the Trade Resumption Day
(b) when there is no traded price (including a special quote, etc.) after the most recent ex-rights day	Price determined on a case-by-case basis (in principle, a theoretical price of ex-rights)

* The term "the Market" means a market (meaning a financial instruments exchange market established by a Japanese financial instruments exchange or a foreign financial instruments market (meaning one that is similar to a financial instruments exchange market and is located in a foreign country.)) where any constituent of the underlying index is being traded, and the

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market publishes the price used by the index calculator for calculating such index. The calculation rules, etc. for each constituent are specified by the index calculator.

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